

SOUTH BEND REDEVELOPMENT COMMISSION REGULAR MEETING

October 5, 2007

10:00 a.m.

Presiding: Marcia I. Jones, President

227 West Jefferson Boulevard

South Bend, Indiana

1. ROLL CALL

Members Present:

Ms. Marcia Jones, President
Mr. Karl King, Vice President
Mr. Ken Peczkowski

Members Absent:

Mr. Greg Downes, Secretary
Mr. Hardie Blake, Jr.

Legal Counsel:

Mr. Charles S. Leone, Esq.
Mr. Shawn Peterson, Esq.

Redevelopment Staff:

Mr. Bill Schalliol, Economic Development Specialist
Mrs. Cheryl Phipps, Recording Secretary
Ms. Jennifer Laurent, Economic Development Specialist
Ms. Debrah Jennings, Property Manager

Others Present:

Mr. Tom Price, Mayor's Office
Ms. Jamie Loo, South Bend Tribune
Ms. Jamie Wade, CB Richard Ellis
Ms. Cathy Catlin, CB Richard Ellis
Ms. Rita Kopala
Ms. GlendaRae Hernandez
Ms Linda Wolfson, Community Forum for Economic Dev

2. APPROVAL OF MINUTES

A. Approval of Minutes of the Regular Meeting of Friday, September 21, 2007.

Upon a motion by Mr. Peczkowski, seconded by
Mr. King and unanimously carried, the
Commission approved the Minutes of the Regular
Meeting of Friday, September 21, 2007.

COMMISSION APPROVED THE MINUTES OF THE
REGULAR MEETING OF FRIDAY,
SEPTEMBER 21, 2007

3. APPROVAL OF CLAIMS

Redevelopment Commission Claims submitted October 5, 2007 for approval.

324 AIRPORT AEDA

Sopko, Nussbaum, Inabnit & Kaczmarek	\$ 3,701.25
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420 FUND TIF DISTRICT-SBCDA

GENERAL

Ampco System Parking	2,242.21
Sopko, Nussbaum, Inabnit & Kaczmarek	450.00

422 FUND WEST WASHINGTON

South Bend Heritage Foundation	150.00
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\$ 6,543.46

Upon a motion by Mr. King, seconded by Mr. Peczkowski and unanimously carried, the Commission approved the Claims submitted October 5, 2007, and ordered checks to be released.

COMMISSION APPROVED THE CLAIMS
SUBMITTED OCTOBER 5, 2007, AND ORDERED
THE CHECKS TO BE RELEASED

4. COMMUNICATIONS

There were no Communications.

THERE WERE NO COMMUNICATIONS

5. OLD BUSINESS

There was no Old Business.

THERE WAS NO OLD BUSINESS

6. NEW BUSINESS

A. Housing

- (1) **Commission approval requested for loan and grant related to the South Bend Home Improvement Loan Program for property located at 614 S. Bendix Dr. (Felipe Caro)**

Mr. Schalliol noted that the loan is in the amount of \$5,150 and the grant in the amount of \$12,500.

6. NEW BUSINESS (CONT.)

A. Housing

(1) continued...

Mr. Peczkowski asked who provides the grant. Mr. Leone responded that funds for the grant are federal Community Development Block Grant funds.

Upon a motion by Mr. Peczkowski, seconded by Mr. King and unanimously carried, the Commission approved the Loan and Grant in connection with the South Bend Home Improvement Loan Program for property located at 614 S. Bendix Dr. (Felipe Caro)

COMMISSION APPROVED THE LOAN AND GRANT IN CONNECTION WITH THE SOUTH BEND HOME IMPROVEMENT LOAN PROGRAM FOR PROPERTY LOCATED AT 614 S. BENDIX DR. (FELIPE CARO)

(2) Commission approval requested for loan and grant related to the South Bend Home Improvement Loan Program for property located at 1018 Garden Lane. (Erma M. Jackson)

Mr. Schalliol noted that the loan is in the amount of \$6,900. The grant is in the amount of \$6,734.75.

Mr. Peczkowski asked how the South Bend Home Improvement Loan Program is administered. Does the client have to solicit the loan? Or does the city facilitate that? Mr. King responded that the client applies. There is a screening process run by the program administrator.

Upon a motion by Mr. Peczkowski, seconded by Mr. King and unanimously carried, the Commission approved the loan and grant related to the South Bend Home Improvement Program for property located at 1018 Garden Lane. (Erma M. Jackson)

COMMISSION APPROVED THE LOAN AND GRANT RELATED TO THE SOUTH BEND HOME IMPROVEMENT LOAN PROGRAM FOR PROPERTY LOCATED AT 1018 GARDEN LANE. (ERMA M. JACKSON)

6. NEW BUSINESS (CONT.)

B. South Bend Central Development Area

(1) Commission approval requested for Lease Amendment in the South Bend Central Development Area. (Laura Lee's, 121 S. Michigan St.)

Ms. Jennings noted that Laura Holloway of Laura Lee's at 121 S. Michigan St. has requested to exercise her option to renew her present lease for an additional year at \$9.75 per square foot, for a monthly total of \$1,156.19. The tenant will pay the actual common expenses, including all real estate taxes. Her rent is current and she is a model tenant. Staff recommends approval.

Mr. Peczkowski asked if under her current lease she has been paying \$9.75 per square foot. Ms. Jennings responded that the per-square-foot amount has decreased because the common area fees and taxes have been pulled out. The intent is for her overall costs to remain the same.

Mr. Peczkowski asked if the Commission is providing her a discount for extending the lease. Ms. Jennings responded that we are not providing her a discount.

Mr. Peczkowski asked if the other tenants in the retail spaces pay the same rate. Ms. Jennings responded that they do not. The leases are negotiated separately.

Mr. Peczkowski asked what Laura Lee's lease rate was last year. Ms. Jennings said she would look that up and provide the information to Mr. Peczkowski.

6. NEW BUSINESS (CONT.)

B. South Bend Central Development Area

(1) continued...

Mr. Peterson explained that previously we had a cap on the CAM. When the Auditor assessed taxes, the cap on the CAM was reached and the city was responsible for the overage. Pulling the taxes out of the CAM assures that taxes will be the full responsibility of the tenant. The city realizes about the same income on the property as before.

Upon a motion by Mr. Peczkowski, seconded by Mr. King and unanimously carried, the Commission approved the Lease Amendment in the South Bend Central Development Area. (Laura Lee's, 121 S. Michigan St.)

COMMISSION APPROVED THE LEASE
AMENDMENT IN THE SOUTH BEND CENTRAL
DEVELOPMENT AREA. (LAURA LEE'S, 121 S.
MICHIGAN ST.)

(2) Filing of Resolution No. 2384 revising the appropriation of monies for the purpose of defraying the expenses of certain local public improvements for the fiscal year beginning January 1, 2007 and ending December 31, 2007, including all outstanding claims and obligations, fixing a time when the same shall take effect and setting a public hearing on Resolution No. 2384 for 10:00 a.m., November 2, 2007. (Michigan St. Retail Shops)

Mr. Peczkowski indicated that the documents before him raise a number of questions on which he would like clarification. He wondered if he should ask them now or wait for the public hearing. Mr. King responded that this agenda item simply sets the public hearing. At the public hearing there will be a presentation that should explain all these

6. NEW BUSINESS (CONT.)

B. South Bend Central Development Area

(2) continued...

things and then the public will have an opportunity to comment

Mr. Schalliol suggested that Mr. Peczkowski might want to call Don Inks prior to the November 2 public hearing and get his questions answered prior to the hearing.

Upon a motion by Mr. King, seconded by Mr. Peczkowski and unanimously carried, the Commission accepted for filing Resolution No. 2384 and set a public hearing on Resolution No. 2384 for 10:00 a.m., November 2, 2007.

COMMISSION ACCEPTED FOR FILING
RESOLUTION NO. 2384 AND SET A PUBLIC
HEARING ON RESOLUTION NO. 2384 FOR
10:00 A.M., NOVEMBER 2, 2007

(3) Filing of Resolution No. 2385 amending the South Bend Central Development Area Development Plan and setting a public hearing on Resolution No. 2385 for 10:00 a.m., November 2, 2007. (Amending the boundaries and adding properties to the acquisition list)

Mr. Schalliol noted that the Commissioners have before them a list of the twenty-one properties proposed to be added to the acquisition list and a drawing of the proposed boundary expansion.

Mr. King stressed that the staff prepare a thorough explanation of the Coveleski Neighborhood Project, including the city's costs. Mr. Schalliol responded that they intend to.

6. NEW BUSINESS (CONT.)

B. South Bend Central Development Area

(3) continued...

Upon a motion by Mr. King, seconded by Mr. Peczkowski and unanimously carried, the Commission accepted for filing Resolution No. 2385 and set a public hearing on Resolution No. 2385 for 10:00 a.m., November 2, 2007.

COMMISSION ACCEPTED FOR FILING
RESOLUTION NO. 2385 AND SET A PUBLIC
HEARING ON RESOLUTION NO. 2385 FOR
10:00 A.M., NOVEMBER 2, 2007

(4) Commission approval requested for proposals for professional services in the South Bend Central Development Area. (Appraisals near Lafayette and Western within Coveleski Neighborhood Plan area)

Mr. Schalliol noted that staff has received two proposals for appraisal services for three groups of property located generally near 401 West Western Avenue. (Western at Lafayette) The appraisals will be used to establish an acquisition value for the properties. R.E. Pitts has proposed a fee of \$4,800 for all the appraisals. Jerome E. Michaels has proposed a fee of \$5,250. Two appraisals are needed for each property. Staff recommends accepting both proposals for the scope of services and fee proposed.

Mr. Peczkowski noted that the Commission has not agreed to acquire these properties. He wondered if it wasn't jumping the gun to start spending money in anticipation. Mr. Schalliol responded that the information from the appraisals is needed to put together cost estimates for the project for presentation at the public hearing. These are typical predevelopment costs.

6. NEW BUSINESS (CONT.)

B. South Bend Central Development Area

(4) continued...

Ms. Wolfson noted that this sounds like a major revision of the South Bend Central Development Area Development Plan. She asked that a copy of the resolution be posted on the Web site prior to the November 2 meeting so that the public has opportunity to be fully informed by the time of the public hearing. Mr. Schalliol agreed that there will be a lot of public interest in this project and staff will post the resolution and supporting information on the Web at least ten days prior to the hearing.

Upon a motion by Mr. King, seconded by Mr. Peczkowski and unanimously carried, the Commission approved the request for proposals for appraisal services and accepted the proposals from R.E. Pitts and Jerome Michaels for the scope of services and fee proposed.

COMMISSION APPROVED THE REQUEST FOR PROPOSALS FOR APPRAISAL SERVICES AND ACCEPTED THE PROPOSALS FROM R.E. PITTS AND JEROME MICHAELS FOR THE SCOPE OF SERVICES AND FEE PROPOSED

(5) Commission approval requested for proposal for professional services in the South Bend Central Development Area. (Environmental services and demo specs for Gates properties near 401 W. Western)

Mr. Schalliol noted that staff received a proposal from Wightman Petrie Environmental Services to perform an environmental investigation and preparation of project documents for proposed redevelopment activities at 401 West Western Avenue. The proposal includes a Phase 1 environmental report for all parcels in the Gates Phase 1 area, an associated

6. NEW BUSINESS (CONT.)

B. South Bend Central Development Area

(5) continued...

asbestos inspection, testing and permitting, and creation of pre-demolition specifications. The cost for this scope of services is \$25,200. Staff requests approval of a not-to-exceed amount of \$25,500.

Mr. Peczkowski asked whether the total demolition specs to be provided constitute a contract that guarantees those costs. Mr. Schalliol responded that they do not. As part of their Phase 1 documents, they would give some hard dollar estimates of what it would cost to have any necessary environmental work done. Staff is generally pretty comfortable with the numbers it gets, within a percentage range. When they aren't staff uses the specs to compare to the estimates. The idea behind all the predevelopment work is that we not begin buying properties without any idea of what costs might be required for the whole project.

Mr. Peczkowski asked if there's been some decision that we are going to demolish the properties. Mr. Schalliol responded that the staff intends to bring to the Commission at a later meeting a proposal for planning services. The planning services will use the cost estimates for demolition as they consider the alternatives: adaptive reuse or demolition. We need to know if the building can be reused, or if it should not be reused, and what the demolition costs will be for comparison purposes.

Mr. King indicated that he thinks it is

6. NEW BUSINESS (CONT.)

B. South Bend Central Development Area

(5) continued...

important to determine these costs up front so that we don't make a \$500,000 purchase and then discover that there's \$12,000,000 needed for environmental cleanup and demolition. This is going to be a tricky enough project.

Mr. King made a motion to authorize the request for proposal for professional services and to accept the proposal from Wightman Petrie for the scope of services and fee proposed. Ms. Jones seconded the motion. The motion failed on a vote of two in favor. Mr. Peczkowski abstained.

MOTION TO APPROVE FAILED

(6) Commission approval requested for proposals for professional services in the South Bend Central Development Area. (Appraisals, 520 West Wayne)

Mr. Schalliol noted that staff received two proposals for appraising property at 520 West Wayne St. The property is an anchor property at the corner of Taylor and Wayne and is a key property in the redevelopment efforts within the Coveleski Neighborhood Plan area. The appraisals will be used to set the acquisition value for the residential structure and four adjacent lots. The proposal from Witt Appraisal Services was in the amount of \$1,400. The proposal from Christopher Michaels was in the amount of \$2,550. Two appraisals are needed for each property. Staff recommends accepting both proposals.

6. NEW BUSINESS (CONT.)

B. South Bend Central Development Area

(6) continued...

Mr. Peczkowski asked what makes this a key property. Mr. Schalliol responded that this property is at the northwest corner of the planning area. As we look at the potential reuse of Taylor Street, it's a property that's on the market. Reconfigured it would serve as two residential lots on that block. One of the things that we project is that Taylor Street would be an infill block from Western north.

Mr. Peczkowski asked when the discussion took place to add these properties to the acquisition list and why we would want to add them. He was concerned again that we're getting the cart before the horse, spending money on pre-development when we haven't had the public hearing and might decide not to do this project at all. Mr. Schalliol reiterated that the information from these appraisals is needed in order to present accurate cost estimates for the project at the public hearing.

Mr. Peczkowski asked how these properties can be so critical to the project when the transmission shop on the same block will remain. Mr. Schalliol responded that we will be considering acquiring the other parcels as well.

Mr. King made a motion to authorize the request for proposals for appraisal services and to accept the proposals from Witt Appraisal Services and Christopher Michaels for the scope of services and fee proposed. Ms. Jones seconded the motion. The motion

MOTION TO APPROVE FAILED

6. NEW BUSINESS (CONT.)

B. South Bend Central Development Area

(6) continued...

failed on a vote of two to one with Mr.
Peczkowski opposed.

C. Airport Economic Development Area

**(1) Commission approval requested for
proposal for Phase I Environmental Site
Assessment in the Airport Economic
Development Area. (Eckler-Lahey)**

Mr. Schalliol noted that staff received a
proposal from Hull & Associates to perform
an ASTM Phase 1 site assessment for the
former Eckler-Lahey and South Bend
Foundry properties located at 1406 S.
Franklin. The report will study the entire
area bounded by Broadway, Indiana,
Franklin and Lafayette. The site assessment
is necessary to determine potential costs for
site remediation or cleanup, especially since
the fire damaged the main building on
September 30. The fee proposed by Hull &
Associates is \$3,000.

Mr. Peczkowski asked if the building was a
total loss by the fire marshals determination.
Mr. Schalliol responded that it was.

Mr. Leone asked whether Hull's proposal
stands now that the fire has occurred. Mr.
Schalliol responded that the fee remains at
\$3,000.

Upon a motion by Mr. Peczkowski, seconded
by Mr. King and unanimously carried, the
Commission authorized the request for

COMMISSION AUTHORIZED THE REQUEST FOR
PROPOSAL AND ACCEPTED THE PROPOSAL FROM
HULL AND ASSOCIATES FOR THE SCOPE OF
SERVICES AND FEE PROPOSED

6. NEW BUSINESS (CONT.)

C. Airport Economic Development Area

(1) continued...

proposal and accepted the proposal from Hull and Associates for the scope of services and fee proposed.

D. West Washington-Chapin Development Area

There was no business in the West Washington-Chapin Development Area.

E. South Side Development Area

(1) Commission approval requested for Resolution No. 2386 appointing the City of South Bend Indiana Board of Public Works as an agent to construct certain improvements to the Caroline Partners properties.

Mr. Schalliol noted that the Commission previously approved a contract to purchase 4309 S. Main St for \$65,500. In exchange of cash, the Commission would provide cash and services for the demolition of 14 properties in the Caroline Partners property block, including 4309 S. Main. Bids for that demolition have been received by the Board of Public Works. The contract is before the Board of Public Works to approve C & E Excavating for a cost of \$158,112. The Commission's cost in this project is \$65,500, less the 12,100 already done in environmental work on site. Caroline Partners will pick up the remainder of the costs. What we are providing are the professional services to monitor the demolition of all structures, removal of all

6. NEW BUSINESS (CONT.)

E. South Side Development Area

(1) continued...

associated utilities, and site clearance. All that will be accomplished for \$158,112. Resolution No. 2386 appoints the Board of Public Works as its agent to oversee this work to finish out the project.

Upon a motion by Mr. King, seconded by Mr. Peczkowski and unanimously carried, the Commission approved Resolution No. 2386 appointing the City of South Bend Indiana Board of Public Works as an agent to construct certain improvements to the Caroline Partners properties.

COMMISSION APPROVED RESOLUTION NO. 2386
APPOINTING THE CITY OF SOUTH BEND INDIANA
BOARD OF PUBLIC WORKS AS AN AGENT TO
CONSTRUCT CERTAIN IMPROVEMENTS TO THE
CAROLINE PARTNERS PROPERTIES

F. Northeast Neighborhood Development Area

(1) Commission approval requested for proposals for professional services in the Northeast Neighborhood Development Area. (Appraisals, three properties S.R. 23)

Mr. Schalliol noted that there are three properties that need to be appraised along State Road 23 in the Northeast Neighborhood Development Area. Two are owned by the City of South Bend and two are privately owned. We have proposals from R.E. Pitts in the amount of \$4,250 and Jerome Michaels in the amount of \$3,500. Two appraisals are needed. Staff recommends accepting the proposals.

Mr. Peczkowski asked why these properties need to be appraised. Mr. Schalliol responded that the properties are needed to

6. NEW BUSINESS (CONT.)

F. Northeast Neighborhood Development Area

(1) continued...

connect Napoleon St. to State Road 23.

Upon a motion by Mr. King, seconded by Mr. Peczkowski and unanimously carried, the Commission authorized the request for proposals for appraisal services and accepted the proposals from R.E. Pitts and Jerome Michaels for the scope of services and fee proposed.

COMMISSION AUTHORIZED THE REQUEST FOR PROPOSALS FOR APPRAISAL SERVICES AND ACCEPTED THE PROPOSALS FROM R.E. PITTS AND JEROME MICHAELS FOR THE SCOPE OF SERVICES AND FEE PROPOSED

G. Douglas Road Economic Development Area

There was no business in the Douglas Road Economic Development Area.

7. PROGRESS REPORTS

Mr. Schalliol reported that PEI Genesis opened its beautiful new facility on October 4. It's good to see businesses growing and expanding in South Bend.

PROGRESS REPORTS

Mr. Peczkowski asked about the status of the letter sent to Downtown South Bend about maintenance of the landscaping in downtown. Mr. Schalliol said that the letter was sent. He understands some work has now been completed, but there is still more to complete. It will be followed up on.

8. NEXT COMMISSION MEETING

The next Regular Meeting of the Redevelopment Commission is scheduled for Friday, October 19, 2007 at 10:00 a.m. A Special Meeting has also been called for Tuesday, October 9, 2007 at 9:15 a.m.

NEXT COMMISSION MEETINGS

South Bend Redevelopment Commission
Regular Meeting –October 5, 2007

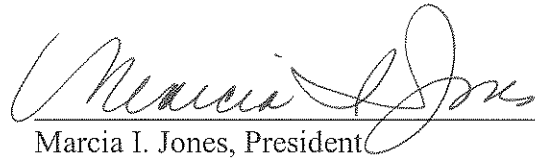
9. ADJOURNMENT

There being no further business to come before the Redevelopment Commission, Mr. King made a motion that the meeting be adjourned. Mr. Peczkowski seconded the motion and the meeting was adjourned at 10:35 a.m.

ADJOURNMENT



Donald E. Inks, Director



Marcia I. Jones, President